

Message Text

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PAGE 01 ISTANB 00625 030755Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 OPIC-03 SS-15 SP-02 /041 W
-----100480 030800Z /23

P 020715Z MAR 78
FM AMCONSUL ISTANBUL
TO AMEMBASSY ANKARA PRIORITY
INFO SECSTATE WASHDC 9711
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LIMITED OFFICIAL USE ISTANBUL 0625

E.O. 11652: N/A
TAGS: BEXP, BGEN, EFIN, EGEN, TU
SUBJ: ASSISTANCE TO U.S. EXPORTER

1. NCR VICE PRESIDENT FOR MIDEAST/AFRICA A.S. GILLON AND NCR
FINANCE DIRECTOR FOR MIDEAST A.G. CAMILERI CALLED ON CONGEN
MARCH 1 SEEKING ADVICE AND ASSISTANCE IN CONSUMMATING SALE OF
23 MINI-COMPUTERS TO ETIBANK.

2. AS EMBASSY IS AWARE, IN DECEMBER GOT RESTRICTED IMPORT
PURCHASES ON OPEN ACCOUNT. CUT-OFF DATE FOR GOODS IN CUSTOMS
WAS JANUARY 10. ACCORDING TO NCR OFFICIALS, VALID IMPORT PERMIT
WAS ISSUED BY COMMERCE MINISTRY BEFORE DEADLINE, BUT DELAYED
DELIVERY OF PERMIT PREVENTED CLEARANCE OF MERCHANDISE FROM
CUSTOMS. ALSO ACCORDING TO NCR, LARGE NUMBER OF TURKISH
IMPORTERS WERE SIMILARLY AFFECTED BY WHAT SOME BUSINESSMEN
CONSIDER DELIBERATE DELAY BY COMMERCE MINISTRY, PRESUMABLY
IN ORDER TO STEM HUGE VOLUME OF IMPORTS, MANY OF WHICH WERE
FINANCED OUTSIDE OF OFFICIAL FOREIGN EXCHANGE CHANNELS. REPORTEDLY
COMMERCE MINISTRY HAS TAKEN NOTE OF IMPORTERS' COMPLAINTS ON
THIS MATTER AND IS CONSIDERING MEANS OF RELIEF.

3. NCR REQUESTS EMBASSY CONTACT ETIBANK AND APPROPRIATE
COMMERCE MINISTRY OFFICIALS IN ORDER TO DETERMINE STATUS OF
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MATTER AND, IF POSSIBLE, COMMERCE MINISTRY'S INTENTIONS. NCR HAS
PERFORMANCE BOND IN ETIBANK'S FAVOR AND MUST REIMBURSE THE BANK
IN AMOUNT OF APPROX \$170,000 IF DELIVERY CANNOT BE EFFECTED. BOND
WAS RECENTLY EXTENDED BY NINETY DAYS IN ORDER TO GIVE NCR TIME TO
SEEK SOLUTION ALONG ABOVE LINES.

4. NCR, WHICH SELLS TO ITS LOCAL MARKETING AND SERVICE SUBSIDIARY,

IS ALSO CONCERNED ABOUT EFFECT OF MARCH 1 DEVALUATION ON LOCAL COMPANY'S LIABILITY FOR PAYMENT ON IMPORTS MADE SINCE FEBRUARY, 1977 WHEN TURKISH CENTRAL BANK CEASED REMITTING FOREIGN EXCHANGE FOR MOST COMMERCIAL TRANSACTIONS. ALTHOUGH FULL TURKISH LIRE PAYMENT WAS MADE AT TIME OF IMPORT. CENTRAL BANK POLICY AT TIME OF FORMER CURRENCY ADJUSTMENTS HAS BEEN TO DEMAND THAT IMPORTERS DEPOSIT ADDITIONAL LOCAL CURRENCY TO COVER INCREASED COST OF FOREIGN EXCHANGE. THIS QUESTION IS OF INTEREST TO MANY U.S. COMPANIES, AND IF PRIOR POLICY IS ADHERED TO FOR OUTSTANDING OBLIGATIONS APPROACHING \$1.5 BILLION THAT WOULD, IN FACT, RESULT IN IMMEDIATE LIQUIDITY DRAIN OF CLOSE TO HALF A BILLION DOLLARS FROM THE TURKISH ECONOMY. CONGEN WOULD APPRECIATE ANY INFO EMBASSY MAY BE ABLE TO OBTAIN RE GOT POLICY IN THIS REGARD FOR PURPOSE OF ADVICE TO OTHER U.S. FIRMS WITH SIMILAR PROBLEMS.

HOUGHTON

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Message Attributes

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